



MISSISSIPPI DEPARTMENT OF HEALTH
SINGLE AUDIT FINDINGS

May 23, 2006

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following is our response to the Single Audit Findings contained in your letter dated May 9, 2006, for the Fiscal Year 2005 Audit:

AUDIT FINDINGS:

ALLOWABLE COSTS/ COST PRINCIPLES

93.268	Immunization Grants
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance (Bioterrorism Program)
93.994	Maternal and Child Health Services Block Grant to the States

Federal Award Number and Year: H23/CCH422524-02-6, 2004
H23/CCH422524-03-1, 2005
U90/CCU416986-04-2, 2004
U90/CCU416986-05-2, 2005
6BO4MC04251-01-01, 2004
6BO4MC02424-01-03, 2005

05-31 Controls over Time Study Procedures Should Be Strengthened

Response: We do not concur with the auditor's finding stating it appears the Bioterrorism program was overcharged. Upon further review of time study data, there were several employees paid from the Bioterrorism program that are exempt from time study reporting, therefore, their time is shown in the time study system as administrative. The salaries related to

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those individuals who work 100% on the activities outlined in the Bioterrorism grant, yet whose time is coded in the time study system as administrative, were not included in the auditor's calculations. We concur with the remainder of the finding.

Corrective Action Plan: We will continue to reconcile the time and effort reports to salaries paid per the financial system and any necessary adjustments will continue to be made. For those personnel who by agency policy are exempt from time study reporting, certifications will be obtained in accordance with guidelines in OMB Circular A-87. In addition, the Mississippi Department of Health has implemented a process to notify the office directors when an employee in their program does not correctly and completely fill out and submit a Time Study form by the due date of these forms. The Time Study staff will meet regularly with the parties involved in defining the program codes to ensure correct and up-to-date codes are defined in the system.

REPORTING

93.994

Maternal and Child Health Services Block Grant to the States

Federal Award Number and Year: 6BO4MC0030107 (10/1/02 – 9/30/04)

05-32

Controls over Reporting Should Be Strengthened

Response: We concur with the finding.

Corrective Action Plan: While the Mississippi Department of Health concurs with the finding, controls were established during FY 2005 to ensure federal reports are properly prepared and submitted to the federal granting agency. Beginning around December 2004 a spreadsheet was developed to track all Federal reporting requirements. This spreadsheet includes the name of the grant, type of financial report required, due date of report, preparer's name, and dates indicating when the report was prepared, reviewed, approved and submitted. The spreadsheet is reviewed each month and the grants management accountant is reminded of the financial reports coming due.

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REPORTING

93.994

Maternal and Child Health Services Block Grant to the States

Federal Award Number and Year: 6BO4MC042510101
(10/1/04 – 9/30/06)

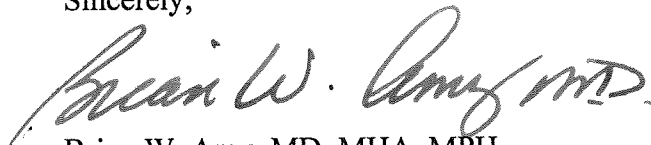
05-33

Controls over Special Reporting Should Be Strengthened

Response: We concur with the finding.

Corrective Action Plan: The staff recognizes the issue at hand and will be requesting generated reports as well as created forms and will keep this information in a central location. With our new documentation protocol, issues like these should be avoided in the future. The forms and generated reports will be kept in a locked central location.

Sincerely,

A handwritten signature in black ink that reads "Brian W. Amy MD". The signature is fluid and cursive, with the "MD" part being more distinct.

Brian W. Amy, MD, MHA, MPH
State Health Officer